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SUBJECT: DOMINICAN PRESIDENT FERNANDEZ CALLS ON CONGRESS TO
PASS CAFTA NOW

1. During his weekly television address to the nation on Sunday night June 26, President Leonel Fernandez argued strongly in support of CAFTA, urging the Dominican Congress to ratify the trade agreement as soon as possible for the benefit of all Dominican people. The speech showed a clear change in tone from previous administration support for the agreement, when Fernandez supported the agreement more openly abroad than here in the Dominican Republic. Fernandez,s call for ratification without further delays for compensatory legislation was a break from the administration,s wait-and-see approach to date.

2. In a nod to special interests, Fernandez asked his economic team to continue dialogue with agriculture and business to find the best way for the country to make the most of the agreement. The core of Fernandez,s speech, however, was clearly the importance of ratifying CAFTA and doing so promptly.

3. Citing familiar statistics, Fernandez pointed out that 85 percent of Dominican exports go to the United States and that CAFTA would make duty free 99.5 percent of its industrial and 90 percent of its agricultural exports. Failing to ratify CAFTA would not only deny the country these benefits but could end up with the demise of benefits from the Caribbean Basin Initiative and ultimately to losing much of the U.S. market to the Central American countries that have already signed on.

4. To drive home his call for ratification, Fernndez commented that President Bush will be head of the upcoming Summit of the Americas which will be held in Argentina this November, a further reason for the U.S. President to do everything possible to secure passage of implementing legislation. He suggested that CAFTA ratification was essential to secure other hemispheric trade agreements and implied that the Dominican Republic would do well to be at the heart of such events.

Ambassador on CAFTA

5. Hoy Newspaper carries an article today on Ambassador Hertell,s Sunday television appearance on channel 13, noting that the Ambassador sees the U.S. environment for CAFTA passage as positive, with passage of implementing legislation possible in early July. He rejects the contention that the Dominican Republic needs to pass legislation granting special benefits to certain sectors before the Dominican Congress ratifies the agreement. The Ambassador is cited as saying that if Dominicans are allowed to work without restrictions, he believes the country will be extraordinarily successful.

6. This piece and others in our series can be consulted at our SIPRNET site
<http://www.state.sgov.gov/p/wha/santodomingo/>
along with extensive other material.
HERTELL